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RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC

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NATIONAL SECURITY COUNCIL FOR DIRECTOR FISK
U.S. TRADE REPRESENTATIVE FOR EISENSTADT

E.O. 12958: DECL: 06/19/2016

TAGS: [PREL](#) [CO](#) [EC](#) [BL](#) [PE](#)

SUBJECT: CAN SEC GEN WAGNER DELIVERS LETTER FROM ANDEAN
PRESIDENTS TO PRESIDENT BUSH ON ATPDEA

REF: QUITO 1477

Classified By: Ambassador Struble for Reasons 1.4 (b,d)

¶1. (U) Andean Community (CAN) Secretary General Alan Wagner called on the Ambassador June 16 to request that he convey to President Bush a letter signed by the four Andean Community Presidents during their summit in Quito last week (Ref A). The original hard copy of this letter is being forwarded by pouch, and a copy of the letter is being faxed to WHA/AND. An unofficial translation of the text of the letter is in para 5.

¶2. (C) Reflecting on the Quito meeting, Wagner said that Bolivia's Evo Morales is finding the trade issue difficult to manage domestically. Several jewelry making firms and small manufacturers in the El Alto region above La Paz depend heavily upon the Andean Trade Preferences and Drug Eradication Act (ATPDEA) benefits. Morales' concern that this area might turn against him was causing him to moderate his anti-FTA message. Wagner thought that the other three Andean Community members made progress in ratcheting Morales back from alignment with Chavez' trade agenda.

¶3. (C) Wagner said that he envisioned a solid alignment of nations along the Pacific coast of North and South America in favor of free trade. Bolivia would ultimately have to decide whether to associate itself with this group. In the near term, Wagner said he was more concerned whether Ecuador would form part of this chain. He understood the basis of the USG decision to suspend Free Trade Agreement talks with Quito, but hoped they could be resumed soon; President Palacio told him that the GOE saw International Centre for Settlement of Investment Disputes (ICSID) arbitration as the route to resolution of the underlying dispute over caducity (contract nullification and asset seizure) of Occidental Petroleum's contract. Wagner felt that locking Ecuador into a free trade orientation would also help secure a favorable political alignment there in the October elections.

¶4. (C) Wagner said that Peruvian President Toledo nearly refused to attend the Quito summit over concern that the proposed joint statement requesting an extension of ATPDEA would undercut early US Congressional approval of the FTA. The Andean Secretary General was charged by those member states interested in ATPDEA extension to visit Washington to discuss the issue. Wagner said he was sensitive to Lima's concern not to divert the US Congress from early action on the Peru FTA. He asked Ambassador Struble whether a visit during the week of June 26 would raise such a concern. The Ambassador replied that Congress might then be at a critical

stage in its internal deliberations whether to schedule a vote on the Peru FTA before the August recess. Wagner said in that case, he would only seek meetings with executive branch officials and requested the Ambassador to inquire about the availability of WHA Asst. Secretary Shannon, NSC Director Fisk and USTR Eisenstadt.

15. (U) Begin unofficial translation of letter:

Most Excellent Mister
George Bush
President of the United States of America
Washington, D.C.

Mr. President:

Convinced of the importance of guaranteeing the flow of commerce from the Andean Region to the United States of America and aware of the fact that the tariff preferences contained in the "Andean Trade Promotion and Drug Eradication Act" (ATPDEA) will expire this year, we would like to request that an extension of such preferences be granted to the countries which so require it in order to favor the development of our peoples and safeguard the Andean workers and businessmen who depend on such exports.

We believe that an extension of these tariff preferences is necessary while the commercial agreements with the United States to which Bolivia, Colombia and Ecuador aspire, from our respective visions and interests, are being developed, defined and implemented without causing uncertainty in our trade with the United States.

In view of the importance of ensuring its access to the

United States market, the Government of Peru, wishes to explicitly state that this request -to which it joins out of Andean solidarity- does not constitute an impediment to the approval of the Free Trade Agreement signed on April 12, 2006 with the United States of America, either in the Peruvian Congress or the United States Congress, recognizing that each country in the subregion has different visions and paces vis-a-vis a trade agreement.

We would like to reiterate that our governments will continue to be committed to the struggle against drug trafficking, which was the original reason for the creation of such tariff preferences.

With this special purpose, we wish to avail ourselves of this opportunity to express to Your Excellency the assurances of our highest and most distinguished consideration.

/s/ Evo Morales Ayma, President of Bolivia

/s/ Alvaro Uribe Velez, President of Colombia
/s/ Alfredo Palacio Gonzalez, President of Ecuador
/s/ Alejandro Toledo Manrique, President of Peru

End Text.
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